



## Press Release

### **J.D. Power and Associates Reports:**

### **Overall Customer Satisfaction with Residential Retail Electric Service Providers in Texas Increases for a Third Consecutive Year**

#### Champion Energy Services Ranks Highest in Customer Satisfaction with Texas Residential Retail Electric Service Providers for A Second Year in A Row

**WESTLAKE VILLAGE, Calif.: 17 August 2011** — For a third consecutive year, overall satisfaction has improved among residential customers of electric retailers in Texas, largely due to declining bill amounts, according to the J.D. Power and Associates 2011 Texas Residential Retail Electric Provider Customer Satisfaction Study<sup>SM</sup> released today.

The study, now in its fourth year, measures [customer satisfaction with retail electric utility providers in Texas](#) by examining four key factors (listed in order of importance): price; billing and payment; communications; and customer service.

Overall satisfaction among residential customers of electric retailers in Texas has increased to 659 on a 1,000-point scale in 2011—up by 25 points from 2010 and 30 points from 2009. While satisfaction has improved in 2011 in all four factors examined in the study, satisfaction with price improves most notably to an average of 644, increasing by 34 points from 2010. During the past several years, customer-reported bill amounts have declined steadily from a median of \$167 in 2009 to \$156 in 2010 and \$150 in 2011. These price decreases are primarily due to declining natural gas prices.

“A primary goal of the Texas electric retail market—to serve customers better through competition and choice—is one that retailers have fulfilled during the past three years, reflected by steady increases in overall satisfaction scores,” said Chris Oberle, senior director of the energy and utility practice at J.D. Power and Associates

Satisfaction with the billing and payment factor has also improved considerably, up 31 points from 2010. Contributing to this increase is a shift in payment methods, with a higher proportion of customers choosing to pay their utility bill electronically rather than by mail. Approximately 46 percent of customers indicate paying their bill either through a financial institution or utility website, while 23 percent of customers mail their payments. Satisfaction among customers who use online and electronic payment methods (recurring bank or credit card debits) is considerably higher than among customers using traditional methods (mail, phone or in-person payment).

“Alternative payment methods have become more satisfying than ever,” said Oberle. “Electric retailers could raise satisfaction even further by encouraging more customers to investigate and use online and other alternative payment options.”

The study also finds that, among customers who are aware of their retailer’s corporate citizenship efforts—such as supporting local organizations or volunteering in the community—satisfaction averages 80 points higher than among customers who are not aware of these efforts.

“Only one in six customers are aware of their retailer’s local citizenship efforts,” said Oberle. “There is ample opportunity for retailers to show how dedicated they are to the communities in which they do business, which can positively affect satisfaction levels.”

Champion Energy Services ranks highest among retail electric utility providers in Texas for a second consecutive year and achieves a score of 745. Champion Energy Services performs particularly well in the price and billing and payment factors. Following in the rankings are Spark Energy (740) and StarTex Power (739). StarTex Power performs particularly well in the billing and payment and customer service factors.

The study finds that providing highly satisfying service can result in higher rates of customer recommendation and customer loyalty. The highest-ranking brands in the study also have the highest proportions of customers who say they “definitely will” recommend their current provider. In addition, as overall satisfaction improves, the propensity of customers to switch retailers declines.

“Retail electric customer satisfaction is a continually changing process, in terms of improving pricing and presenting better offerings and promotions,” said Oberle. “As competitive pressures grow in the Texas retail market, providers will need to continue to maintain long-term relationships with their current customers, as well as to implement and improve innovation. By developing new strategies and brand awareness among new customers, retail providers can help ensure they stay loyal and committed, which helps them maintain a positive brand image and attract and enroll more new customers.”

The study also includes the following key findings:

- Nearly one-fourth of all Texas retail households (24%) say they have a smart meter installed at their home. Satisfaction among customers with a smart meter is higher (685, on average) than among those without a smart meter (662).
- Among customers with a smart meter, 16 percent have registered it at the Web portal SmartMeterTexas.com, which allows them to access detailed views of their electricity usage. Satisfaction is substantially higher among customers who register their smart meter at this Web portal (756) than among smart meter customers without access to their detailed usage information (671).

J.D. Power and Associates offers the following tips to consumers who are shopping for an electric retailer:

- It pays to shop around before deciding on an electric retailer. Customers who consider more than one electric retailer are substantially more satisfied than those who only consider one retailer.
- While there are several information sources to choose from when shopping, consider looking for newspaper or magazine articles. Electric retailer customers in Texas who refer to articles when they shop for a provider are more satisfied than customers who rely on advertising, the retailer’s reputation or information gathered from the Texas Choice website.
- It may be tempting to choose a retailer based solely on low prices, but this could result in being less satisfied. Customers who choose their retailer based on good customer service are notably more satisfied than those who make their decisions based on low price, reputation, past experience with a retailer or recommendations from family or friends.
- Select your payment plan carefully. Customers who opt for a fixed rate plan—which guarantees a set rate during the entire length of the contract—are much more satisfied than customers who choose a variable price plan.
- If you’re dissatisfied with your current electric retailer, consider switching. Among customers who rated their previous provider as “unacceptable” (one point on a 10-point scale) and switched to a new provider, satisfaction soars to an average of 747—nearly 90 points higher than the industry average.

The 2011 Texas Residential Retail Electric Provider Customer Satisfaction Study is based on responses from more than 8,100 residential customers of electric retailers in Texas. The study was fielded between September 2010 and June 2011.

For more information, view [Texas residential retail electric service provider ratings](#) at [JDPower.com](#).

### **About J.D. Power and Associates**

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**J.D. Power and Associates Media Relations Contacts:**

John Tews; Troy, Mich.; (248) 312-4119; [media.relations@jdpa.com](mailto:media.relations@jdpa.com)

Syvetril Perryman; Westlake Village, Calif.; (805) 418-8103; [media.relations@jdpa.com](mailto:media.relations@jdpa.com)

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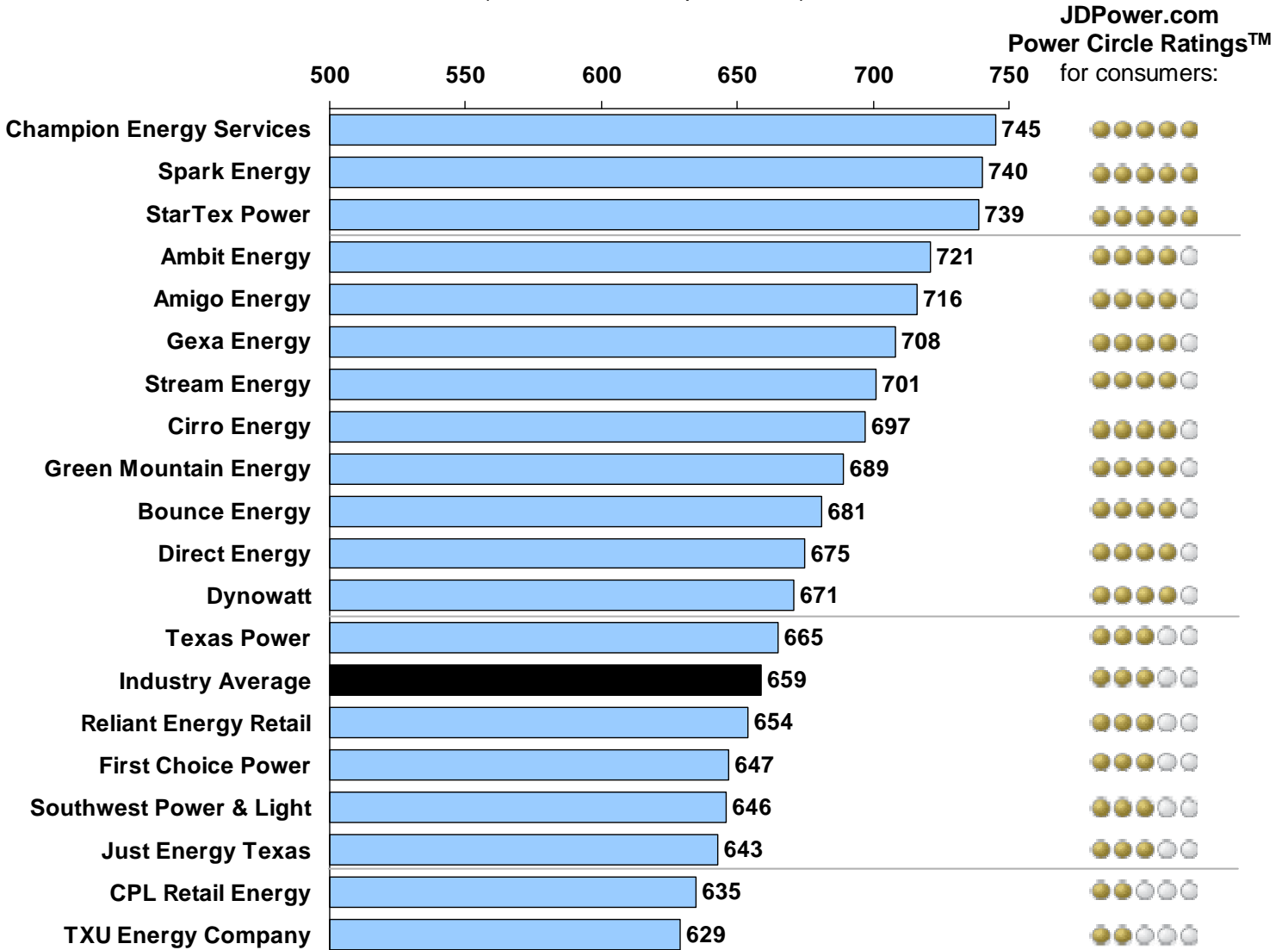
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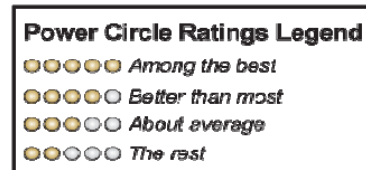
# J.D. Power and Associates 2011 Texas Residential Retail Electric Provider Customer Satisfaction Study<sup>SM</sup>

## Customer Satisfaction Index Ranking (Based on a 1,000-point scale)



*Included in the study, but not ranked due to small sample size are: Abacus Energy, Affordable Energy, Andeler Power, Brilliant Energy, Commerce Energy, dPi Energy, Frontier Utilities, Gateway Energy Services, Hudson Energy Services, Kinetic Energy, Liberty Power Corporation, Mega Energy, MidAmerican Energy, MX Energy, Nueces Electric Cooperative, Our Energy, Penstar Power, Potentia Energy, Reach Energy, Simple Power, Tara Energy, Texpo Energy, True Electric, USAVE Energy, WTU Retail Energy, YEP Energy and Young Energy.*

Source: J.D. Power and Associates 2011 Texas Residential Retail Electric Provider Customer Satisfaction Study<sup>SM</sup>



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